

University of North Carolina-Chapel Hill Environmental Finance Center (UNC EFC)

Technical Assistance for Communities in EPA Region 4

Alicea Easthope-Frazer
Senior Project Director

PROGRAM AREAS AND TYPE OF WORK

About UNC EFC

- Dedicated to enhancing the ability of governments and other organizations to provide environmental programs and services in fair, effective, and financially sustainable ways.



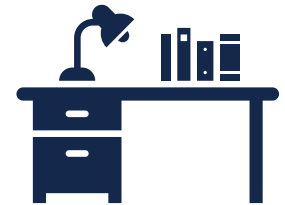
Water and
Wastewater Finance



Stormwater and
Resiliency Finance



Tool
Development



Applied
Research



Affordability

Program
Areas



Partnerships

Types of
Work



Trainings and
Workshops



Community
Assistance

Community Assistance at the UNC EFC

- Utility financial assessments:
 - Financial benchmarking
 - Calculating key financial indicators for the utility
 - Rates analysis
 - Our terminology for a rate study
 - Affordability assessment
 - Existing rates and proposed rates
- Board engagement
- Application support:
 - Help identify priority areas
 - Liaise with engineering firm
 - Review prior and current application(s)
 - Help develop or review language
 - Confirm completeness
 - Liaise with funders

EXAMPLE PROCESS

Community Assistance



After a workshop, the community contacted us to inquire about their water rates



We held an introductory call to learn more about their needs. *The community was interested in an assessment of their long-term financial viability under their current rates.*



Based on this request, we asked for financial data (e.g., current rates, audited financials, billing data, capital improvement plan).



Presented results from financial assessment to town staff, then to board.

EXAMPLE PROCESS

Community Assistance



Collaborate with the engineering firm to identify priority projects.



Supported the town and engineer to apply for SRF.



Continued conversations with the town about areas of support. For example, customer communication.

EXAMPLE PROCESS

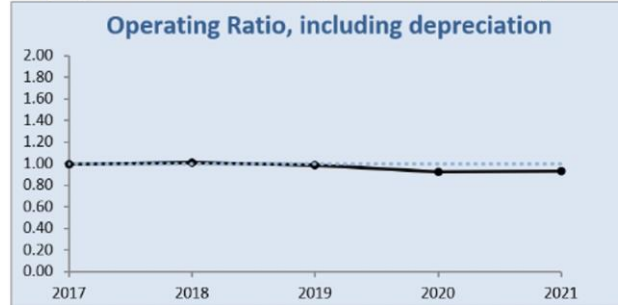
Financial Assessment

- Using our financial tools, we assessed the **financial health** of the utility, the sufficiency of their **current rates vs. new rates**, and the affordability of those rates.

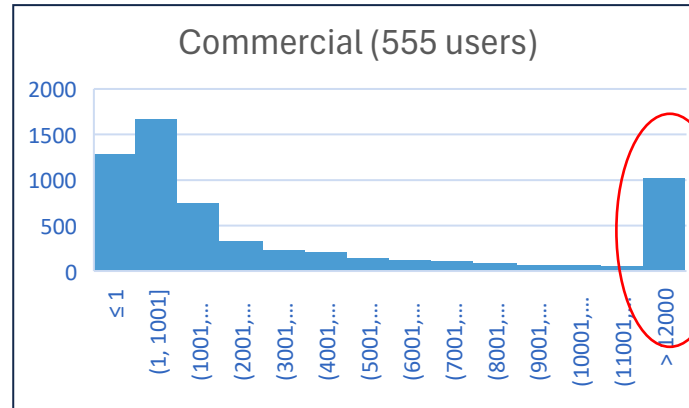
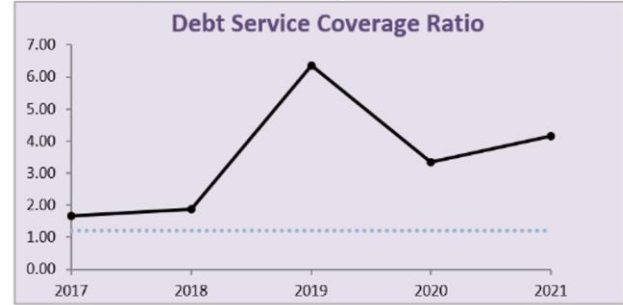


Field in the financial statement/	2017	2018	2019	2020	2021
Total Operating Revenues	\$ 2,093,254	\$ 2,205,669	\$ 2,224,051	\$ 2,334,927	\$ 2,403,480
Total Operating Expenses	\$ 2,103,759	\$ 2,179,448	\$ 2,252,873	\$ 2,521,833	\$ 2,591,843
Depreciation & Amortization Expenses	\$ 332,340	\$ 344,392	\$ 348,059	\$ 351,772	\$ 391,104
Debt Principal Payments	\$ 169,259	\$ 180,149	\$ 39,260	\$ 39,260	\$ 39,259
Debt Interest Payments	\$ 22,686	\$ 16,412	\$ 10,992	\$ 10,208	\$ 9,422
Current Assets, excluding inventories, restricted cash, prepaids	\$ 1,662,493	\$ 1,526,328	\$ 1,634,715	\$ 2,115,548	\$ 1,732,525
Current Liabilities, excluding deposits & bond anticipation notes	\$ 110,739	\$ 101,499	\$ 189,228	\$ 352,281	\$ 317,435
Unrestricted Cash & Investments	\$ 1,217,862	\$ 1,073,590	\$ 752,765	\$ 1,310,894	\$ 1,066,975
Total Accumulated Depreciation	\$ 4,004,617	\$ 4,345,792	\$ 4,693,851	\$ 5,045,623	\$ 5,436,727
Total					

Did you generate the revenues needed to pay for O&M and a little for capital?



Did you generate the revenues needed to pay for O&M and existing debt service?



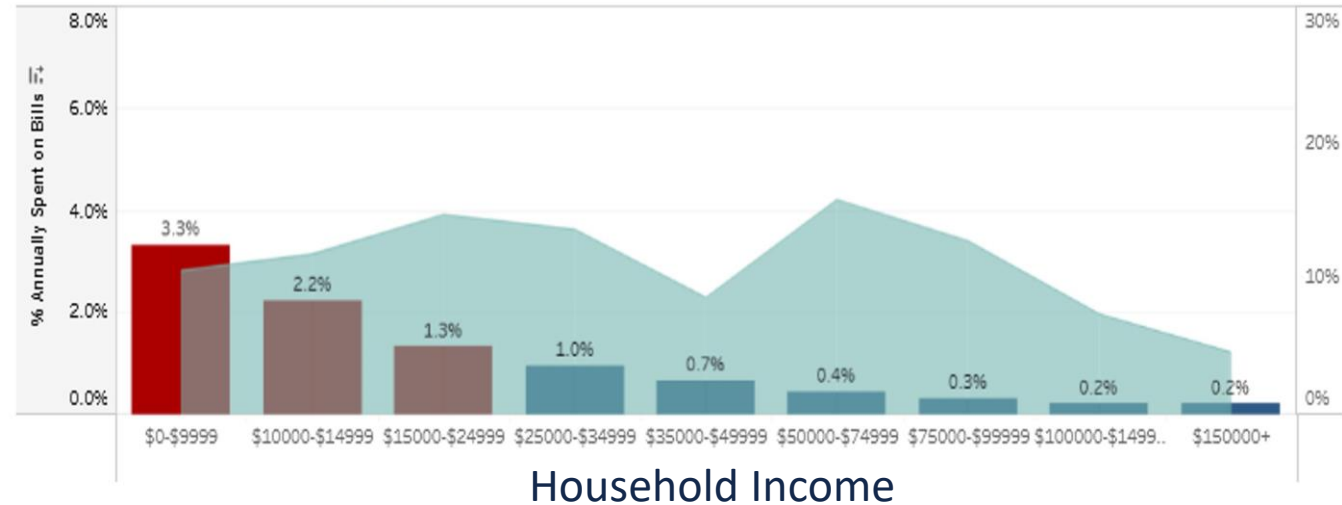
Total Annual Revenues in the Next Five Fiscal Years



EXAMPLE PROCESS

Financial Assessment

- Using our financial tools, we assessed the financial health of the utility, the sufficiency of their current rates vs. new rates, and the **affordability** of those rates.



For consideration

Our support is free of charge to
the municipality/authority



Our ability to provide support is
tied to applying for funding



We are restricted to working
within EPA Region 4 (SE)

Questions?

For more info, check out our website:
efc.sog.unc.edu

Alicea Easthope-Frazer
aliceaef@sog.unc.edu